

(BID) CONTRACT FOR SURPLUS USED OIL, FILTERS, and SORBENTS

Bid # OIL013014

Bid Opening: 1/30/2014

@ 1:00PM

Bid Type: State-Wide Mandatory Term Contract

Commodities: Used Motor Oil, Mixed Antifreeze, Filters, Sorbents, Oily Rags

By Signature, I certify that all Bidder information is accurate and I agree to the Instructions, Terms and Conditions of the Sale, along with the Payment Terms as stated in this Bid. I have made myself familiar with the items placed on bid, and I waive any claims against The State of North Carolina, State Surplus Property Agency, and All State Agencies, based upon any defects in the property I place a bid for. I agree to submit payment for all items and that it is my responsibility to meet all deadlines for payment and or removal of said property that I bid on.

WINNING BIDDER MUST PROVIDE

- Proof of Insurance (Auto and G/L)
- A Performance Bond of \$15,000.00
- Valid, Local, State and Federal Permits to provide said services in the State of North Carolina

- Bid must be received at the below address by 1PM on Thursday, January 30th, 2104..
- Bidders are strongly encouraged to use a private carrier for delivery of bids to:

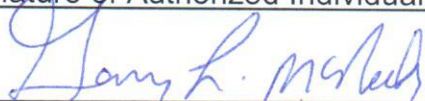
N C State Surplus
Used Oil Bid
6501 Chapel Hill Road HWY 54 W.
Raleigh, N.C. 27607

Agency Website: www.ncstatesurplus.com

Division Director: Mickey Sauls

State Surplus Property Officer: Robert A. Riddle

Contract Administrator: Stan Black 919-733-2256

| | | | |
|---|------------------|------------------------------------|--|
| <u>Individual or Company Name:</u> | | <u>Federal ID #</u> Or <u>SS #</u> | |
| Noble Oil Services, Inc | | 56-1508693 | |
| <u>Address:</u> | <u>P.O. Box:</u> | <u>Zip:</u> | |
| 5617 Clyde Rhyne Drive | 4419 | 27331 | |
| <u>City & State & Zip:</u> | <u>Phone #</u> | <u>Fax #</u> | |
| Sanford, NC 27330 | (919) 774-8180 | (919) 775-7732 | |
| <u>Signature of Authorized Individual:</u> | <u>Date:</u> | <u>Email Address:</u> | |
|  | 1/28/14 | GMcNeely@nobleoil.com | |

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DESCRIPTION OF PROPERTY

Used Motor Oil, Antifreeze, Various Type Oil Filters, and Oily Rags

ESTIMATED QUANTITIES

**500,000 Gal. Used Oil....1000 Drums of Filters....250 Drums of Sorbents and Paper Towels
@20,000 gallons Diluted Antifreeze....@ 25,000 Gallons Used Oil/Anti-Freeze/Water Mix**

The purpose of this bid is to accept offers for the **Pickup and Disposal (through recycling) of Used Motor Oil, Filters, and Sorbents** generated by primarily the **NC DOT and NC DPI Bus Garages**. However, this contract will be open to all North Carolina Government Entities, All Agencies, Boards, Commissions, Universities, Community Colleges, Counties, Towns, Municipalities, and Political Subdivisions who also choose to use this contract. **Participating entities will have to meet the Minimum Oil quantities to use the service and to receive the Contract Pricing.**

THIS IS A MANDATORY CONTRACT FOR ALL STATE AGENCIES

SERVICES TO BE PERFORMED

The Agency User shall call the Contractor when they have a **Minimum of 100 Gallons of Used Motor Oil** ready for recycling or pick-up. If you call Contractor for a pick-up and have the Minimum Quantity of Oil, There will be **NO CHARGE** to pick up your other Recyclable commodities. The Antifreeze, Filters, and Sorbents may be scheduled for pick-up at a later date by the contractor, but within the next 10 workdays. These recyclables may be located at Various Maintenance and Garage Facilities located throughout all the 100 Counties in the State.

FILTERS, ANTIFREEZE, and SORBENTS, when scheduled at the time Used Oil is picked up, will be at no cost.

Any Pick-Up without Motor Oil could result in a CHARGE BACK by the Contractor to the Agency.

Prospective bidders must have the ability to pump contaminants from the garage facility's storage containers into your transport vehicle. **The Agency Garages may store the recyclables in above-ground tanks, underground tanks, and/or in 55 gallon barrels.**

The Contractor will provide Receptacles and/or Drums for the Storage and Disposal of the various types of Filters and Sorbents.

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At time of pickup, the Contractor will be required to provide the Agency a pick-up ticket containing the following information:

- Agency's name, Address, and Phone #
- Date of Pick-up
- Name of place of pick-up
- Address of Pick-up
- Total Gallons and Description of items picked up
- **Pick-up ticket must be signed by both parties**
- **Winning Contractor will be required to provide State Surplus Property and all Generating Agencies a Contact Phone Number for the purpose to request a pickup.**

Winning Contractor must provide an Emergency 24 HR. Phone # that will be used only in the case when there is a Spill or if an Emergency arises.

Pickups must occur within a maximum of ten (10) calendar days from the date of request by the Generating Facility or the State Surplus Property Agency.

CALCULATING YOUR BID OFFER

Reference Data

Your bid offer will be a percentage of the net price of a Gallon of Lite Sweet Crude Oil, (see the example below). Please consider the total estimated annual quantities of all of the recyclables listed above, on page 2, as you calculate the bid offer that you will pay the State. The Percent Bid X Price/Gallon is the amount you are agreeing to pay the State.

Your bid offer must be calculated using the TFC Commodity Charts for Light Sweet Crude Oil, (CL, NYMEX).

- Reference charts may be found at the following website, [http://www.tfc-charts.w2d.com./](http://www.tfc-charts.w2d.com/)

Bid Method

The bid made to the State Surplus Property will be, a % multiplier of the Average Monthly Price of a Barrel of Light Sweet Crude Oil, for the prior month that the Used Oil was Picked-up.

Example: for all the oil that you pick up in November, 2013, you will pay us the October, 2013 average price.

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Example Scenario

Your total pick-up for all locations during the month of November, 2013 totaled, 28,129 gallons of used motor oil, 300 gallons of Diluted Anti-Freeze and 200 gallons of Oil/Anti-freeze and 37 drums of Oil Filters along with 22 drums of Dirty Rags.

The Monthly Average Futures Index Price for Light Crude Oil for the month of October equaled \$94.00 per barrel.
An example of your bid offer (multiplier) to State Surplus might have been .4567

Example Scenario w/Calculations

| | |
|--|-----------|
| Average Futures Index Price Per Barrel for October | \$94 |
| Divide by 42 (gallons per barrel) | <u>42</u> |

| | |
|--|----------------|
| Average Futures Index Price Per Gallon for October | \$2.238 |
| Times your bid offer multiplier | X <u>.4567</u> |
| Amount You Will Pay State Surplus for a Gallon of Used Oil | \$1.022 |

| | |
|--|------------------|
| Gallons of Used Oil picked-up in August | 28,129 |
| Times amount you agreed to pay for a gallon of oil | X <u>\$1.022</u> |

Amount that will be paid to NC State Surplus in November will be..... \$28,751.71

Your Bid Offer Multiplier = **0. 6 5 2 0**
X. x x x x

NOTE: The quantities listed above are estimates only, and the State is not liable for amounts less than or amounts that exceed the listed quantities. This Bid is available to all State Agencies, Towns, and municipalities, Statewide that wish to participate. Therefore, these estimates are just that...estimates.

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REQUIRED INSURANCE COVERAGE

It is required that the Contractor provide and maintain the below minimum types of insurance and in full effect at no additional cost to the State for the duration of this Contract.

- **Commercial General Liability insurance or Comprehensive General Liability insurance** with a **minimum limit of \$2,000,000.00 per occurrence for Bodily Injury and Damage to Property**, including Bodily liability, premises/operations, products/completed operations, independent Bidders, broad form property damage and personal injury. A minimum aggregate amount of **\$2,000,000.00** or commercial/comprehensive general liability insurance plus additional **excess umbrella liability insurance** if needed to meet these limits.
- **Comprehensive Automobile Liability insurance** with a minimum combined single limit of **\$2,000,000.00 per accident for bodily injury and damage to property or covering bodily injuries or death.**
- **Pollution Liability Insurance** with a minimum of **\$10,000,000.00 per occurrence limit.**
- **Worker's Compensation Insurance** as specified by State Law and **Employer's Liability Insurance** with a minimum amount of **\$2,000,000.00 each accident and \$2,500,000.00 for bodily injury by disease.**

Upon award of the Bid, the Contractor shall require its insurance carrier to provide a copy of a Certificate of Insurance verifying this coverage to the State Surplus Property Agency, and that **NC State Surplus**, be named as an **Additional Insured on the Certificate of Insurance.**

The Contractor will Hold and Save the State, its Officers, Agents and Employees harmless from liability of any kind while performing under this Contract.

REQUIRED PERFORMANCE BOND

The Contractor will be required to post a **\$15,000.00 Performance Bond** in the form of a **Certified Check, or Money Order**, made payable to **N.C. State Surplus Property Agency**. All or a portion of the Performance Bond may be withheld should the awarded Bidder not perform to the requirements of the agreement. The portion of the withheld funds will be an amount estimated to cover the expense of any **anticipated revenue loss** by an Agency.

- **Indemnity Bonds will not be an accepted form of payment of the Performance Bond.**

REQUIRED LICENSES

The Contractor will be responsible for and must hold any license or permits required by any Local, State and or Federal Regulatory Agency that governs the pick-up, transport, storage and/or processing of the items offered in this contract.

REQUIRED ACTIVITY REPORTS

The Contractor will be required to **submit a Year Ending Summary Detailing Account Activity**. Required Information should include Agency, Location, Product Type Picked-Up, and Quantity Detail, Billing Rate, and Amount Billed. **Year End Totals are due (15) days after June 30.**

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PAYMENT TERMS

Payment is to be made Payable to the **State Surplus Property Agency**, reference to above address.

Payment will be required by the tenth (10th) of each month for the previous month's activity.

A Spreadsheet Summary of Monthly Pick-Ups are to be Submitted with Each Invoice Detailing, Agency, Location, Product Type Picked-Up, and Quantity Detail, Billing Rate, and Amount Billed.

CANCELLATION CLAUSE

- **The State or the Contractor may cancel the Contract upon a sixty (60) day written notice.**
- Should the awarded Contractor fail to perform the services per the terms of the Bid, **The State may cancel the Contract immediately.**

CONTRACT PERIOD AND EFFECTIVE DATE

This Contract is offered on an annual basis for a period of one (1) year with the option for two (2) one year renewals, provided **Both Parties** are mutually satisfied with the current Terms and Agreements.

This Document will become a contract on the Date that a "Notice to Proceed" Letter is Issued.

EMERGENCY RESPONSE

Contractor may charge for an Emergency Response Request to a facility when the spill was the Agencies fault. If a spill occurs and it is deemed that it was Contractor's fault, then there will be no charge to the Agency.

The winning Contractor must be able to provide Emergency Response Services with the ability to respond to Any Facilities covered by this contract (24/7) within two hours plus reasonable drive time in the event of a spill covered by this Contract.

Contractors must have the following resources readily available and ready to respond to any emergency:

- A valid, working, **24 hr Emergency Response Phone Number**
- Adequate personnel with all required certifications
- Industrial wet/dry vacuum trucks and or trailers
- Absorbent materials on-hand
- Any Spill or Clean-up Equipment and needed Haz-Mat Transport Vehicles

The state may or may not elect to use your services for a spill response. Your needed service will be determined by the Agency, and the type of environmental hazard and its deemed severity.

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ADDITIONAL INFORMATION TO BE SUBMITTED PRIOR TO THE SIGNING OF A CONTRACT

- Company Profile that should detail information as to an indication of the company's ability to provide all requirements of this bid as stated herein.
- Proof of Commercial General Liability Insurance and Renewal Date.
- Comprehensive Automobile Liability Insurance and Renewal Date
- Pollution Liability Insurance and Renewal Date
- Worker's Compensation and Renewal Date if required By the State.
- Valid License and/or Permits that are required to perform the services to fulfill this Contract.
- List of three (3) Companies (and their Contact Information) that your company has provided similar services to within the past 36 months.

THIS BID WILL BE AWARDED ON THE BASIS OF:

- (1) Highest total combined price and profit for the State.
- (2) The State's determination of the Bidder's ability to perform the services stated herein.

The state reserves the right to reject any and all bids.

Questions: Stan Black, Contract Administrator (919) 733-2256

SELLER:

NCSSP

dba, State Surplus Property

1310 Mail Service Ctr.

Raleigh NC 27699

Out Rish 1-31-14
Surplus Property Officer Date

Stan M. Black 1/31/14
Witness Date

CONTRACTOR:

Noble Oil Services Inc
PO Box 4419
Sanford NC 27331

John L. Mahaly 1/28/14
Authorized Signature Date

Madessa Pungas 1/28/14
Witness Date